

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



October 10, 2011

Mr. Jim Kiefer  
Director Project Development  
Central Valley Gas Storage, LLC  
3333 Warrentville Road, Suite 130  
Lisle, Illinois 60532

**Subject: Central Valley Natural Gas Storage Project - (Application No. 09.08.008) – Variance Request #13**

Dear Mr. Kiefer:

On October 7, 2011, Central Valley Natural Gas Storage (CVGS) requested a variance from the California Public Utilities Commission (CPUC) for approval to construct a temporary 8-inch pipeline to extract water from the Glenn-Colusa Canal in order to conduct hydrostatic testing of the natural gas pipeline. This is a modification to the proposed construction methods that were approved for the Central Valley Gas Storage Project.

The CPUC voted on October 14, 2010, to approve the CVGS Project (Decision D10-10-001) and a Notice of Determination was submitted to the State Clearinghouse (SCH# 2010042067).

The CPUC also adopted a Mitigation, Monitoring, Compliance and Reporting Program (MMCRP) to ensure compliance with all mitigation measures imposed on the CVGS Project during implementation. The MMCRP also acknowledges that minor changes to the project are anticipated and that a Variance Request would be required for these activities. This letter documents the CPUC's thorough evaluation of all activities covered in this variance, and that no new impacts or increase in impact severity would result from the requested variance activities.

Variance #13 for modifications to utilize a temporary 8-inch pipeline to extract water from the Glenn-Colusa Canal in order to conduct hydrostatic testing of the natural gas pipeline is granted by CPUC based on the factors described below.

**CVGS Variance Request.** Excerpts from the CVGS Variance Request, received October 7, 2011 are presented below (indented):

This variance requests the CPUC's approval to work outside of the designated work area and place a water pump and temporary 8-inch pipeline to support pumping of water from the Glenn-Colusa Canal. This water will be used to conduct hydrostatic testing on the natural gas pipeline system. As described in the revised Dewatering and Discharge Plan (dated September 28, 2011), the water would be pumped from the Glenn-Colusa Canal and discharged at the eastern end of the project area onto Sunrise-Sunset LP (as shown in Table 2 of the plan). The project description of the MND and the Dewatering and Discharge Plan did not describe the placement of the

temporary pipeline. In addition, temporary pipeline is outside the designated work area.

CVGS is proposed to place the water pump in the Glenn-Colusa Canal and place the 8-inch pipeline on the surface of the Glenn Colusa Irrigation District's Main Canal berm. After crossing the berm, the pipeline would run west along the south side of Dirks Road and then south along an existing unpaved access road to the pipeline. The temporary pipeline will be placed on the ground surface and removed after the hydrostatic testing is complete. Currently the hydrostatic testing is planned for October 10 through October 24, 2011.

### **CPUC Evaluation of Variance Request.**

In accordance with the MMCRP, the subject variance request was reviewed by CPUC to confirm that no new impacts or increase in impact severity would result from the requested variance activities. This review also included a visit to the subject site on October 7th by the CPUC Lead Environmental Monitor (EM).

The following discussion summarizes this analysis for agricultural, biological, cultural, paleontological, hydrological resources, traffic, sensitive land uses/noise and other issue areas. A list of bulleted conditions is presented to define additional information and clarifications regarding mitigation requirements.

**Agricultural Resources** – The temporary pipeline will not result in impacts to Farmland of Statewide or Local Importance. No new impacts or increase in impact severity for agricultural resources are anticipated.

**Biological Resources** - A biological resources survey was performed on September 26, 2011 to identify the potential presence of sensitive biological resources. The temporary pipeline would be placed within an area consisting of paved and unpaved roadways and a staging area associated with the proposed project. Native habitat in close proximity to the proposed temporary pipeline alignment consists of non-native annual grassland. Non-native annual grasslands in and of themselves are not considered a sensitive natural community by CDFG, USFWS, local/regional agencies, or by any resource plan or policy. Therefore, no significant impacts on sensitive natural communities would occur as a result of placement of the temporary water pipeline above-grade.

According to biological reports and surveys completed for the proposed temporary water pipeline alignment, the work area supports suitable ground nesting habitat for western burrowing owls. During a recent biological survey on September 26, 2011, no western burrowing owls or signs of this species (which is known to occur in the area) or other sensitive biological resources were observed. To avoid potential impacts to burrowing owls, CVGS and its contractors will implement the protective measures noted below in the conditions section. No new impacts or increase in impact severity for biological resources are anticipated with the implementation of the conditions.

**Hydrological Resources** – No sensitive water features occur along the proposed temporary water pipeline alignment; however sensitive aquatic features occur in close proximity to the pipeline alignment. Environmental exclusion fencing has been placed along the perimeter of sensitive aquatic features to ensure avoidance of the sensitive resources during construction.

Best Management Practices (BMPs) will be installed in accordance with APM BIO-2, which includes implementation of a Stormwater Pollution Prevention Plan (SWPPP). In addition, as seen in the Dewatering and Discharge Plan for the Central Valley Natural Gas Storage Project (September 28, 2011), the discharging of hydrostatic water would be adjusted as needed to prevent oversaturation and erosion. BMPs, such as sandbags, hay bales, filter bags, and straw wattles, would be utilized to prevent erosion and discharge. No impacts to hydrological resources are anticipated with the implementation of the conditions noted below.

**Cultural & Paleontological Resources** – The proposed alignment for the temporary water pipeline is located in areas that have been previously disturbed or consist of a paved roadway surface. There are no cultural and paleontological concerns for the placement of a temporary pipeline above-grade. No impacts to cultural or paleontological resources are anticipated.

**Traffic.** The work proposed under this request will require construction activities to be completed within the right-of-way (ROW) along Dirks Road. Concurrence from Colusa County shall be provided indicating the Traffic Control Plan previously approved for the CVGS project does not require any additional traffic control measures or revisions to existing measures established in the Traffic Control Plan, prior to use of the subject area. Once concurrence is obtained, CVGS will submit documentation to the CPUC.

**Sensitive Land Uses/Noise.** The area is rural in nature and supports large-scale agriculture. The temporary water pipeline included as part of this variance request would be constructed in close proximity to the alignment of the gas pipeline currently under construction. No new impacts or increase in impact severity for sensitive land uses/noise is anticipated.

**Other Issue Areas.** No concerns noted under this variance.

**Conditions of Variance Approval.**

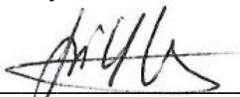
The conditions presented below shall be met by CVGS and its contractors:

1. All applicable project mitigation measures, APM's, and permit conditions shall be implemented. Some measures have on-going/time-sensitive requirements and shall be implemented prior to and during construction where applicable.
2. Copies of all relevant permits, compliance plans, and this Variance approval shall be available on site for the duration of construction activities.

3. Conduct biological monitoring in compliance with APM BIO-3. Biological monitoring is required to occur immediately preceding and during active construction as part of required biological monitoring activities.
4. All project personnel, shall be provided an environmental briefing focused on resources in the area, erosion control requirements, and the limits of the work area. A log shall be maintained on-site with the names of all crew personnel trained. All participants will receive a hard-hat sticker for ease of compliance verification.
5. If any lane restrictions or closures are found to be necessary along Dirks Road, prior proof of coordination with emergency service providers and all necessary permits shall be submitted to the CPUC.
6. Concurrence from Colusa County shall be provided indicating the Traffic Control Plan previously approved for the CVGS project does not require any additional traffic control measures or revisions to existing measures established in the Traffic Control Plan, prior to constructing the temporary water pipeline. Once concurrence is obtained, CVGS will submit documentation to the CPUC.
7. Documentation from Colusa County shall be provided indicating whether an encroachment permit is required for the placement of a temporary pipeline along Dirks Road. CVGS shall provide a copy of the encroachment permit if required by Colusa County.

Please contact me if you have any questions.

Sincerely,



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Eric Chiang  
CPUC Environmental Project Manager  
Central Valley Gas Storage Project

cc: *D. Hochart and S. Eckardt, Dudek*  
*S. Bushnell-Bergfalk, ICF*  
*J. Kiefer, Central Valley Gas Storage, LLC*  
*N. McIntire and H. Salvage, Flour Inc.*